

Smith County

Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

10/13/14

9 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Smith County economy.¹

These 9 sectors have a total direct output of approximately \$135 million and support 671.9 jobs in Smith County. Running the model for all 9 sectors simultaneously produces the following results:

Agriculture Contribution in Smith Co						
Impact Type ²	Employment	% Employment	Total Value Added ³	% of Gross Regional Product ⁴	Output ⁵	% of Gross Regional Product
Direct Effect	671.9	26%	31,533,628.5	22%	135,075,817.6	96%
Indirect Effect	95.5	4%	9,574,063.2	7%	15,506,650.4	11%
Induced Effect	115.6	5%	7,959,429.2	6%	13,166,706.4	9%
Total Effect	883.0	35%	49,067,120.9	35%	163,749,174.3	116%

As shown in the above table, agriculture, food, and food processing supports 883.0 jobs, or 35% of the entire workforce in the county. These industries provide a total economic contribution of approximately \$164 million, roughly 116% of Gross Region Product (GRP). As noted below in the calculation of Gross Regional Product, imports and institutional sales are subtracted. Therefore, counties that import a relatively large amount of goods and services will have a reduced GRP which may lead to agricultural output being greater than GRP.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 9 agriculture, food, and food processing sectors is approximately \$49 million, or 35% of the GRP. This indicates that personal income, business income, and taxes generated by these sectors account for 35% of the total economy.

¹ Article on building a contribution analysis in IMPLAN that avoids double counting:

http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70

² Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

³ Value added = labor income + indirect business taxes + other property type income.

⁴ GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

⁵ Output = intermediate inputs + value added.

The following tables document the overall summary numbers of the model, top industries affected by employment and output, and a listing of all industries that were analyzed.

In the top ten by employment, Grain farming is the top employer in the agriculture industry with 479.4 employees. This table also shows the amount of jobs that are created by the agriculture industry in Smith County.

Description	Total Employment	Total Output
Grain farming	479.4	68,630,423.2
Cattle ranching and farming	92.2	35,542,702.7
Animal (except poultry) slaughtering, rendering, and processing	33.9	10,701,680.5
Animal production, except cattle and poultry and eggs	28.2	3,520,768.3
Oilseed farming	23.0	9,123,015.3
Real estate establishments	21.5	2,778,591.0
Monetary authorities and depository credit intermediation activities	20.5	6,733,193.6
Wholesale trade businesses	18.4	3,329,197.5
Private hospitals	16.1	1,800,822.7
Civic, social, professional, and similar organizations	13.4	328,906.1

The Grain farming industry directly contributes approximately \$69 million to Smith County's economy. This table also shows how much revenue is generated in other industries by having a strong agriculture industry.

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Oilseed farming	23.0	9,123,015.3
Monetary authorities and depository credit intermediation activities	20.5	6,733,193.6
All other crop farming	6.1	5,439,904.5
Animal production, except cattle and poultry and eggs	28.2	3,520,768.3
Wholesale trade businesses	18.4	3,329,197.5
Imputed rental activity for owner-occupied dwellings	0.0	3,248,543.7
Real estate establishments	21.5	2,778,591.0

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture sector and the output they contributed to Smith County's economy.

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All 105 counties in Kansas have Implan models and agriculture contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Kansas, the retail sector was omitted.